

ORIGINAL



0000020262

BEFORE THE ARIZONA CORPORATION
RECEIVED

57

COMMISSIONERS

2005 APR 14 P 3:22

AZ CORP COMMISSION
JEFF HATCH-MILLER, CHAIRMAN
DOCUMENT CONTROL
MARC SPITZER
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTEN K. MAYES

IN THE MATTER OF DIVERSIFIED
WATER UTILITIES, INC. TO EXPAND
ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
INCLUDE ALL OF SECTION 13, 14,
15, 23 AND THAT PORTION OF
SECTION 16 EAST OF RAILROAD
TRACKS ALL IN T3S, R83, PINAL
COUNTY, ARIZONA.

DOCKET NO.: W-02859A-04-0844

IN THE MATTER OF THE
APPLICATION OF JOHNSON
UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE
AND NECESSITY FOR WATER
SERVICE.

DOCKET NO. WS-02987A-04-0869

NOTICE OF FILING LETTER

Diversified Water Utilities, Inc., by its attorneys undersigned, hereby gives
notice that Diversified has written a letter of apology related to its March 1, 2005 letter and
herewith docketed the letter and serves a copy thereof on all parties of record.

/ / /

Arizona Corporation Commission
DOCKETED


APR 14 2005

DOCKETED BY

JS

1 DATED this 14th day of April, 2005.

2 CURTIS, GOODWIN, SULLIVAN,
3 UDALL & SCHWAB, P.L.C.

4 By: 
5 William P. Sullivan
6 2712 North 7th Street
7 Phoenix, Arizona 85006-1090
8 Attorneys for Diversified Water Utilities,
9 Inc.

10 PROOF OF AND CERTIFICATE OF MAILING

11 I hereby certify that on this 14th day of April, 2005, I caused the foregoing
12 document to be served on the Arizona Corporation Commission by delivering the original and
13 fifteen (15) copies of the above to:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

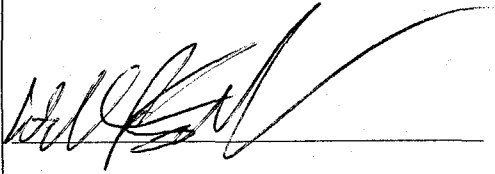
18 Copies of the foregoing hand delivered/mailed
19 this _____ day of April, 2005 to:

20 Jay L. Shapiro
21 Patrick Black
22 Fennemore Craig PC
23 3003 North Central Avenue, Suite 2600
24 Phoenix, AZ 85012
25 Attorneys for Johnson Utilities

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

1 Ernest G. Johnson, Director
2 Utilities Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007
6

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A handwritten signature in dark ink, appearing to read 'Ernest G. Johnson', is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.



Diversified Water Utilities, Inc.

Corporate Office
(602) 840-9400
fax (602) 840-6030

2850 E. Camelback Rd., Suite 201
Phoenix, AZ 85016-4316

Customer Service Office
(480) 677-6080
fax (480) 677-6082

3880 S. De Niza
Apache Junction, AZ 85219-7357

**Quality Water
Quality Service**

Member, AWWA
AWPCA
WUAA
EVWF

April 14, 2005

HAND DELIVERED

Ernest Johnson
Utilities Director
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Letter of Concerns dated March 1, 2005

Dear Mr. Johnson,

I am writing to apologize to you, Mr. Fisher, Judge Nodes and all other members of the Commission Staff for the unintended impression conveyed by my letter of March 1, 2005. The letter was not intended to impugn the integrity of the Commission or any of its divisions or any member of the Commission Staff or intended to assert that any member of the Commission was involved in impropriety.

Please be aware that I have spent a significant effort over the past 4 years to overcome and correct actions undertaken or supported by George H. Johnson. My efforts were critical to preserve Diversified Water Utilities, Inc.'s fundamental right to serve all of its certificated area, as well as to secure an additional water source for Diversified's customers.

A part of those actions included the formation of a county water improvement district to take our company. I have seen, first hand, an improper county water improvement district overlapping a significant part of Diversified's certificated area formed without meaningful investigation or analysis in just three business days after a petition was submitted. Unfortunately, I was forced to deal with its interference with our operations for over three years until the district was dissolved.

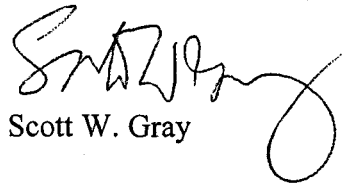
As a result, I have become sensitized to the potential that a quick decision may be synonymous with a bad decision. The letter was intended to put forward this concern from my review and to bring to light certain facts of which you and your Staff may not have had knowledge. To the extent the letter used inappropriate adjectives or was read as alleging that any member of the Commission had acted improperly, I apologize as that was not my intent. I am very grateful to Judge Nodes for his kind and helpful explanation of the Hearing Division's prompt and regular processing of procedural orders in certification proceedings.

I have always strived to maintain a good relationship with the Commission when I first came to the aid of the Commission in 1984 and corrected the numerous ACC and ADEQ problems with the water and wastewater systems known as Oak Creek Utility Corporation when no other party would. I did the same for Diversified where its numerous ADEQ violations had resulted in a moratorium and no other party would come forward to assist the customers of this failing water system. It has always been important to me and our company to maintain a good track record of compliance and cooperation with the Commission which we have done and intend to continue to do so at all times.

Upon learning of the manner in which my March 1, 2005 letter was being read, I authorized Diversified's legal counsel to ask permission to withdraw the letter and have all copies stricken from the record. I continue to support having the letter removed from the Commission's records. However, since the request has not been granted, I have requested Diversified's legal counsel file this letter of record to correct any misimpression.

My objective in all of my actions has been to seek fair treatment for Diversified and the community it serves. I sincerely regret the misunderstandings created by the March 1, 2005 letter.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. W. Gray", with a large, stylized flourish extending from the end of the signature.

Scott W. Gray

cc: Brian N. McNeil
Steve Olea
Jim Fisher